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Op-Ed
October 11, 2011

Attracting Foreign Investment Involves More than Business Climate

A week before I left Indiana to lead my fifth international trade mission, I met with students at Speedway High School who had visited Japan two years ago. They were sharing their advice on Japanese protocol.

The most unique advice I received was “Slurp your noodles. It’s a sign of enjoyment.”

I tried to imagine how many state executives in other states get such advice from young students. The answer: not many.

I led a jobs and investment trade mission to Japan last month. Accompanying me were 28 delegates, including mayors, business leaders, and economic development officials. Most of our trip focused on meeting with the leadership of Sony, Subaru, Toyota, Mitsubishi, and many others. We have approximately 230 Japanese companies that do business in Indiana.

But our trip also coincided with the Annual Japan-Midwest U.S. Annual Conference. At the conference in Tokyo, I witnessed a parade of governors and lieutenant governors spend their time at the lectern talking about the benefits of doing business in their state.

I would argue that we had the best story to tell. Indiana has a healthy reserve, not a deficit. Business leaders understand this means we are not coming after the business community for a greater share of the tax burden. And we recently took steps to cut the corporate income tax rate by a third going forward, rather than

increasing it like some of our neighbors. We have a regulatory environment that's fast and predictable, not slow and unreliable.

This message resounds with Japan's business leaders who want to find the most profitable way to reach the global market. But just as important was the delivery of the message of compassion and friendship to the people of Japan.

This is a difficult period in Japan. In addition to the global economic difficulties, they have the burden of attempting to recover from the devastating earthquake and tsunami that occurred in March. Hoosiers should feel proud that Indiana's Japan America Society's Relief Fund was among the largest in the nation. We were honored to contribute relief to our sister-state, Tochigi Prefecture, where many friends had to rebuild their lives.

Most of the success we have in life, whether personally or professionally, is due to the strength of our relationships. That's also true in international affairs. If you marvel at the fact that almost 40,000 Hoosiers are employed by Japanese companies, look no further than the outreach conducted by state executives that dates back to the days of Governor Robert Orr and Lt. Governor John Mutz. My partner, Governor Mitch Daniels, has led five trade missions to Japan, as well. The Japanese people especially appreciate visitors who travel there today, and they see the gesture as a sign of confidence in their country and in their people.

The people of Japan are our friends in times of crisis as well as in times of prosperity. Remember the Speedway students who advised me to slurp my noodles? I was visiting the school at their request. The students participate in an educational and cultural exchange with students in Motegi, a city of 16,000 in Japan. Speedway students have been to Motegi twice, but the second trip for Motegi children to come to Speedway was interrupted by the natural disaster.

In this crisis, our students turned that disappointment into action and raised \$2,500 for Motegi's relief effort. They asked me to deliver the check in person.

That's the friendship I've come to expect from my fellow Hoosiers, and it's a story that will undoubtedly serve us well in the continuing strong economic partnership with Japan.